

House of Representatives for five terms, but he also served for 17 years in the Illinois House of Representative. In addition, he is a veteran, having served in the U.S. Army. I want to thank TOM for all of his service to the State of Illinois and the United States. His leadership and valuable contributions on a number of issues will be sorely missed. I wish him the best of luck in all of his future endeavors.

Mr. COSTELLO. Mr. Speaker, it is an honor for me to rise today to join my colleagues in paying special tribute to my good friend and colleague from Illinois, Mr. TOM EWING. Mr. EWING and I have served together on both the Science and Transportation and Infrastructure Committees. We have worked on many bipartisan issues to improve our nation and home state of Illinois including the promotion of ethanol use and production as well as many transportation initiatives.

TOM EWING has represented the 15th District and State of Illinois well over the past decade. Mr. EWING began his distinguished career as an attorney, having graduated from John Marshall Law School in 1968. As a member of the House of Representatives he worked hard to ensure his constituents were well represented.

Mr. Speaker, TOM EWING has served this institution well and he will be greatly missed. I wish Mr. EWING and his family well in the years to come.

#### ACCOMPLISHMENTS AND CONCERNS

The SPEAKER pro tempore (Mr. GOODLING). Under the Speaker's announced policy of January 6, 1999, the gentleman from Washington (Mr. METCALF) is recognized for 18 minutes as the designee of the majority leader.

Mr. METCALF. Mr. Speaker, tonight I address the House and the Nation for what is probably the last time. I am proud of the accomplishments during my tenure here. Welfare reform instantly comes to mind. Effectively dedicating the gas tax fund to transportation was another milestone. While, regrettably, government spending continues to increase, the rate of that increase slowed by about 50 percent during the last 6 years, giving confidence to Wall Street and staving off the budgetary meltdown that we were headed for. It is possible that that was only delayed, not eliminated, however.

There is much more to be done in many areas. I frankly am very concerned about the future of this Nation and its great people. The sovereignty of the United States is at risk. Supranational trade agreements, including WTO, NAFTA, and GATT, are removing the ability of this Nation to set its own economic policy, giving power to unelected foreign bureaucrats to make important decisions about how we live, including the power to abrogate laws enacted constitutionally by the people's representatives.

This is being done in the name of free trade, a classroom abstract concept

which gives the impression that trade takes place between free, unfettered individuals on a level playing field who just happen to live in different countries. In the real world, there is no such thing as free trade. Other nations of the world have had this understanding. Look closely at the trade strategy of Japan, who has penetrated and come to dominate market after market in the U.S., when my friends in Washington State are struggling, even today, just to export a few apples to that part of the country.

It was the constitutionally delegated role of Congress by the Founders to make sure that the American people had the opportunity for fair trade with peoples in other nations of the world. We have now given that role to supranational organizations conceived by individuals who have as their long-term objectives the erasure of national borders. I cannot understand Republicans who claim to be in the political arena to oppose Big Government who are supporting initiatives that are moving us step by step to the biggest government of all: world government. We must oppose the rise of these world institutions.

The International Criminal Court poses another danger to our sovereignty. We must never allow a body outside of our system of representative government to impose rules on us without our constitutional protections, to be given the power to tax our citizens or the power to subpoena or to summon to court.

The world is still a very dangerous place. Life, liberty and property imperfectly but continually manifested in these United States are concepts that are not even understood as we understand them in most parts of the world.

I am encouraged by the spread of democracy around the world, but the right to vote does not in and of itself assure freedom for the individual, the right to hold property, the right to exist as a minority in that state. Most of the world's societies are today ruled by tightly held oligarchies that can still override the rule of law. We must encourage the citizens of other nations, but we must not put our constitutional system of government at risk by experimenting with world institutions given police powers.

I am also concerned about the concentration of power at home, both in the growing size of the Federal Government and the number of regulations not passed by this body, but by the unelected bureaucrats, and by the growing concentration of wealth in fewer and fewer hands. We have seen great prosperity for the wealthiest Americans and to a lesser degree, for about a third or so of what have traditionally been the middle class. I truly fear for what we once called the lower middle class. I fear for the future and the sovereignty of this Nation as our

manufacturing base, which once paid the salaries of that portion of the middle class, continues to erode. That is why, despite my lifelong Republicanism and my conservative political philosophy, I have sought to be an advocate for trade unionism in this Congress to truly conserve our way of life, to preserve our large middle class which has been the economic and moral strength of this Nation. We need to maintain a balance of interests in our society.

In the 1950s, when the labor movement was riding high, I felt they had too much power and I opposed many of their initiatives. This has not been the case for the last 20 years. While the growth of government has increased the power of government unions, a mixed blessing for the country, there has been a steady decline in the size and influence of the trade unions, and I fear for the working families of this Nation because of this fact.

The rise of the large multinationals and the ideology of world institutions has been devastating to our working people who now have to compete against workers who can make as little as 8 cents an hour. What are we thinking of as a Nation? What happened to the understanding that ultimately, as a society, we must be judged by how those at the bottom are treated, not those at the top?

This economic upheaval has affected family relations and has increased the divorce rate. Mothers taken out of the home to work has increased juvenile delinquency, decreased parental involvement in public schools and in their children's education, and torn the fabric of hundreds of working-class neighborhoods around our land.

As a Republican who supported Davis-Bacon, who opposed striker replacement, who has fought to maintain the 40-hour work week protections, who opposed the Team Act, who stood with labor on every direct trade union issue since I have been in this Congress, I would say to the union movement, to the labor movement, as true partisanship, be wary of your so-called friends in the Democratic Party who continue to use the social welfare language of the New Deal, but who have been at least as much at fault as Republicans for undermining the wage base of our people through these trade agreements.

I want to talk for a minute about immigration. Most politicians do not want to talk about immigration. They would like the subject to go away. I do not blame anyone for wanting to come to America. I count among my friends and supporters very good people from almost every country around the globe who have arrived here in the last 20 years or so. But we must get away from the suicidal notion that this Nation does not have a right to set an immigration policy that favors first and

foremost the people who are already here and, secondly, must absolutely maintain the sanctity of our borders. A nation without borders is no nation at all. Politicians are, in the main, quick to condemn illegal immigration. However, the Justice Department has been very slow to put a program in place, a meaningful program, to stop the literal invasion of our territory. I do not fault the line officers of the border patrol. They are some of the finest public servants that I have met in public life. I believe there has not been a real commitment made by our government to stopping illegal immigration, and I believe this must change.

I am very discouraged that the labor movement, in particular, no longer acknowledges the obvious fact that the levels of immigration, legal and illegal, that we have experienced in the last few years, coupled with our trade policy, has been a downward driver on wage rates for working people and that folks in the poorest parts of this Nation have seen their housing costs rise or have lost the opportunity for housing at all, due to the mass of immigration this country is now experiencing.

I am also discouraged that the leadership of the environmental movement is ignoring the obvious fact that the rate of immigration we are experiencing now with its accompanying high birth rate, will result in a population of about 450 million Americans by the year 2050; 450 million. I find this totally unacceptable. A cabal of self-serving immigration trial lawyers, transnational corporations who crave cheap labor and neo-Marxists who seek a new constituency to poison are driving our immigration policy, and in this area of political correctness, politicians are afraid to speak out against it, even though every poll taken in recent times shows the American people of all ethnic backgrounds to be opposed to the current immigration level of nearly 1 million legal immigrants a year.

I am sure a majority of the rank and file in labor, a majority in the environmental movement, and a majority in the conservative movement oppose our current immigration policy. They must find their voice and their courage if we are going to maintain our social cohesion and quality of life.

Environmental issues have been on my mind of late. Because I believe that many of these issues are better handled at the State and local level, my political opponents, including the League of Conservation Voters, have labeled me less than a conservationist. As one who authorized the recycling plan for Washington State, which is a model for this Nation, who passed the shellfish protection act in our State, who fought the large corporations for the water quality of Puget Sound, who worked with Democrats for tougher pesticide controls, I guess I have resented that label. I am very sorry both parties did

not take the time and opportunity to pass meaningful pipeline safety regulations in this Congress.

The recent debate in some of the press reports seem to point at my party's leadership as culprits, but the fact is, the entire Senate supported what ended up to be little more than an industry bill and only a few Democrats in our body made any real effort to move this issue until fairly recently. I do not mean to disparage the Senators from Washington State. There would have been no meaningful debate in the Senate on this issue without Senator PATTY MURRAY and Senator SLADE GORTON.

Our pipeline system is aging. Much of it once rural has now been encroached by urban sprawl. In addition, we now have an understanding of sensitive environmental areas we did not have 50 years ago when these pipelines began operating.

□ 2330

The three things that the pipeline industry does not want must happen to ensure pipeline safety in America. We must restore Federal certification of pipeline fieldworkers, we must require government monitored periodic testing, and we must allow the States to use their resources to bolster the tiny number of Federal inspectors. I regret that a bill that I sponsored a year ago, reintroduced with the support of the entire Washington State delegation, which contained all of these features did not get the hearing it deserved.

I want to thank Senator PATTY MURRAY for working with me on the Northwest Straits Initiative, a model program where Federal dollars meet local community groups determined to protect the shoreline environment of this national treasure located wholly within Washington State. Speaking with a regional voice, it has the potential to awaken public officials and local citizens alike to their duty to protect this priceless area. I also want to thank Senator SLADE GORTON for his work behind the scenes to ensure Federal funding for this worthy project.

I am grieved to have accurately warned the Nation about the impending return of commercial whaling as a worldwide practice. We must redouble our efforts to prevent this from occurring. Cynical international commercial interests have used indigenous groups such as the Makah Indian tribe in my State as pawns in this greed-driven step backwards. Last year, one whale was killed and at least one other was injured.

I will speak on the Second Amendment and the constitutional rights to keep and bear arms. Let us think back to the beginning of our Nation. Why were the British troops marching out of Boston on the road to Lexington and Concord in the predawn darkness of April 18, 1775? They were there because

they had heard correctly that the colonists were stockpiling arms and ammunition in that area. The British were on their way to capture and destroy these guns.

The colonies had increasing confrontations with the British King: the stamp tax, the closing the port of Boston, the intolerable acts. They had a lot of trouble with the British King. But they were still loyal British subjects.

But when they came to take away our guns, we went to war. When we won that war and wrote the Constitution, the Second Amendment, the amendment was the right to keep and bear arms.

Finally, I want to return to the fundamental question of great significance for all Americans, money. Does anyone believe that it would be possible to reduce our national debt by \$600 billion and reduce our annual interest payments by \$30 billion with no harm to anyone nor to any program? That sounds too good to be true, does it not? But it is true. It is simple, and it is possible.

Most people have little knowledge about how money systems work and are not aware that an honest money system would result in great savings to the people. We really can cut our national debt by \$600 billion and reduce our Federal interest payments by \$30 billion a year again with no harm to anyone.

One of the problems is we pay interest on our paper money in circulation now. We pay interest on the bonds that are said to back our paper currency; that is, the Federal Reserve notes. This unnecessary cost is \$100 per person per year in our country, an absolutely unnecessary cost, because we rent our paper money from the Fed. That is what we are paying the rent or interest.

Why are our citizens paying \$100 per person to rent the Federal Reserve's money when the United States Treasury could issue the paper money exactly like it issues our coins today? The coins are minted by the Treasury and essentially sent into circulation at face value.

The Treasury will make a profit of \$880 million this year from the issue of the first 1 billion of the new gold-colored dollar coins. If we use the same method to issue our paper money as we do for our coins, the Treasury could realize a profit on the bill sufficient to reduce the national debt by \$600 billion and reduce the annual interest payments by \$30 billion. In other words, Federal Reserve notes are the official liabilities of the Federal Reserve. Over \$600 billion in U.S. bonds is held by the Fed as backing of these notes.

The Federal Reserve collects the interest on these bonds from the U.S. Government and returns most of it to the Treasury. So, in effect, there is a

tax on our money of about \$100 per person.

Is there a simple and inexpensive way to convert this costly, illogical and convoluted system into a logical system which pays no interest directly or indirectly on our money in circulation? Yes, there is. Congress must require the U.S. Treasury to issue our cash, our paper money.

The simplest way to solve this problem is for Congress to declare that the Federal Reserve notes are, in fact, U.S. Treasury currency. This simple act would reduce our national debt by over \$600 billion and reduce the annual government expenditures by \$30 billion each year.

#### MYTH OF THE BUDGET SURPLUS

The SPEAKER pro tempore (Mr. GOODLING). Under the Speaker's announced policy of January 6, 1999, the gentleman from Mississippi (Mr. TAYLOR) is recognized for the remainder of the time until midnight.

Mr. TAYLOR of Mississippi. Mr. Speaker, I want to thank the gentleman from Texas (Mr. STENHOLM) for joining me in this.

Mr. Speaker, let me begin by thanking the gentleman from Pennsylvania (Mr. GOODLING) for the great job he has done of serving our country over the many years. He has represented his District in Pennsylvania with great distinction, and we are all going to miss him, and he is a good sport to stay here so late tonight on what could possibly be the last week of his service to our Nation.

Mr. Speaker, I really came to talk about the myth of the budget surplus. When folks stop me on the street back home, it is a very common question to ask me, where does their tax money go. Without exception, people are shocked to learn that the biggest expense to their Nation is interest on the national debt.

See, today our Nation squandered \$1 billion of your money on interest on the national debt. We did the same thing yesterday, the day before that, the day before that. We will do it tomorrow, the day after that. Every day for the rest of your life, your Nation will squander \$1 billion on interest on the national debt until we pay it off.

That is pretty mind boggling. The biggest expense to our Nation last year, interest on the national debt, was \$360 billion. So when we hear people talk about the surplus, we have got to kind of wonder where it all came from.

I know one of the sources. It was an ad run in the paper, the USA Today, dated December 12, 1995. It is a photo of the former chairman of the Republican National Committee Hailey Barbour, who said "Heard the one about the Republicans cutting Medicare? It is a million dollars challenge."

He offers a million dollars to someone who could prove the following

statement false. "Here is why you have no chance for the million dollars. Republican National Committee will present a cashier's check of \$1 million to the first American who can prove the following statement is false: In November of 1995, U.S. House and Senate passed a balanced budget bill, period. It increases the total Federal spending on Medicare by more than 50 percent from 1995 to 2002, pursuant to the Congressional Budget Office standards. Responses must be postmarked by December 20, 1995."

So that was the budget that was going to be for the fiscal year of 1996. The key here is, it said they passed a balanced budget bill. Congress can only appropriate money for 1 year at a time. So a balanced budget, as all of us know from our household checkbooks, is when we spend no more than we collect in taxes.

It may surprise my fellow citizens, after the chairman of the Republican National Committee made such a statement and such a challenge that, in that year, the fiscal year increase to the public debt was \$250,828,000,000. The Nation spent \$250 billion more than they collected in taxes that year that they claim to have balanced the budget. So maybe it took a little bit longer than they thought.

So in fiscal year 1997, the Nation spent \$188,335,000,000 more than it collected in taxes. A year later, the Nation spent \$113,046,000,000 more than it collected in taxes. This is 3 years since Mr. Barbour's promise that the Nation had a balanced budget. The following year, the Nation spent \$130,077,000,000 more than they collected in taxes.

So when I presented Mr. Barbour with the information that it was not a balanced budget, his response was, not only not to pay me, but to sue me for answering his challenge that was in a nationwide publication. That is Republican accountability. That is Republican honesty. It makes one kind of wonder, does it not?

In fairness to Mr. Barbour, that was not the only year. I think it is important that we be honest, that I be honest. I came to the House floor at the end of July and said that, for this fiscal year, so far, the Nation was running an \$11 billion annual operating deficit. I came back in August, actually in the month of September, and showed where the Nation was running a \$22 billion annual operating deficit.

In fairness, I have to mention that something that I guess every Congressman should be at least partially happy about, we did finish the fiscal year that ended September 30, 2000 with an \$8 billion surplus, but only after, incredibly, record collections of \$157 billion and expenditures of \$125 billion. See, they were able to slow down spending for that 1 month to make up for that \$22 billion.

One of the ways they slowed down spending, interestingly enough, we

hear all this talk about being for a strong national defense, is they delayed the pay for the troops from the last of September to the 1st of October. So that bill did not go towards last year, it goes towards this year. So this year's deficit will be even bigger. But last year's deficit turned into a surplus by that accounting gimmick and others.

So I guess something that I am very proud of, having run on the basis of trying to balance the budget, is that, for the first time in what we think is 30 years, the Nation ran the smallest of surpluses, about \$8 billion out of a \$1.5 trillion budget.

We hear talk of big surpluses. But those surpluses are all in the trust funds: the Social Security Trust Fund, the Medicare Trust Fund, the Military Retirees Trust Fund, the Black Lung Trust Fund, the Federal Employees Trust Fund. These are all monies that have been collected for a special purpose, and people trust us to set that money aside and spend it only for that purpose. To spend it on anything else, to give it away to someone else in a tax break is a violation of that trust.

Someone who has understood the issue of the tax breaks and their impact on the Federal trust funds better than anyone else in this House is the gentleman from Texas (Mr. STENHOLM).

Mr. Speaker, I yield to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I thank the gentleman for yielding to me. I thank him for taking this time.

I will serve notice to our colleagues that we are going to be doing a lot of talking about this over the next 1, 2, 3, 4, 5, or 6 days. Tomorrow we will pass a rule that will provide for six 24-hour continuing resolutions. Just as the gentleman from Mississippi (Mr. TAYLOR) has talked very accurately about the last 12 months, what is seemingly passing over this body and the leadership of this House is what we are doing in the next 12 months.

The 106th Congress is on track to increase appropriations, spending, for domestic programs at the fastest rate this year since the budget act was first passed in 1974.

□ 2345

Now, all year long my friend from Mississippi and I and other Blue Dogs have been on this floor calling for a compromise in the budget that can be supported by both sides of the aisle. The Republican budget called for \$600 billion in budget authority and \$625 billion in outlays. The President proposed \$624 billion in budget authority and \$637 billion in outlays and colleague after colleague from the other side of the aisle has bent over speaking and